— the quality of power supplied especially in rural areas needs to be improved through the Accelerated Power Development Programme and other programmes quickly.

— SERCs may be made functional in next six months and tariff filings made. Tariff orders issued by Central Electricity Regulatory Commission and SERCs need to be implemented fully unless stayed or set aside by court orders. It is necessary to move away from the regime of providing free power.

— the past decisions of Chief Ministers of minimum agricultural tariff of 50 paise may be implemented immediately.

Power reforms

2302. SHRI RAMA MUNI REDDY SIRIGIREDDY: Will the Minister of POWER be pleased to state:

(a) the details of States that have effectively been implementing power reforms in the country;

(b) the transmission and distribution losses in the States which have been effectively implementing power reforms in the country;

(c) whether it is a fact that inspite of reforms T&D losses have not come down; and

(d) if so, what steps the Ministry is taking to reduce T&D losses?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Orissa, Haryana, Andhra Pradesh, Uttar Pradesh, Karnataka, Rajasthan, Madhya Pradesh and Delhi have initiated power sector reforms by enacting their own State Electricity Reforms laws which provide, *inter alia*, for unbundling/corporatisation of SEBs, setting up of SERCs etc. They have unbundled and corporatised their electricity boards.

Twelve SERCs of Orissa, Andhra Pradesh, Uttar Pradesh, Maharashtra, Gujarat, Haryana, Karnataka, Rajasthan, Delhi, Madhya Pradesh, Himachal Pradesh and West Bengal have already issued tariff orders. In the MoUs/MoAs on reforms with the Ministry of Power, twenty-two States have so far committed themselves to having tariffs fixed by SERCs.

(b) and (c) A statement indicating the State-wise reported transmission and distribution losses in the country is given in Statement. In absence of 100% metering the figures of transmission and distribution (T&D) losses are estimates and in many States after more accurate estimation, it has been found that consumption by this agriculture where supplies are usually not metered was being over reported by a considerable margin. This had the effect of disguising pilferage in urban areas. Theft of electricity is now estimated to cost over Rs. 20,000 crore per year.

(d) A consensus was reached in the Conference of Chief Ministers/ Power Ministers held in March, 2001 on the need to depoliticise power sector reforms and speed up their implementation and that the real challenge of reforms lies in distribution sector. It was resolved in the conference to achieve break even in distribution in two years time and achieve positive returns thereafter. It was also resolved that State Electricity Regulatory Commissions (SERCs) would be made functional and tariff petition filed and subsidy may be given only to the extent of State Government's capacity to pay the subsidies explicitly through budget. The Government of India has been signing Memoranda of Understanding (MoU) with States reflecting the joint commitment of the Centre and the States to undertake reforms in a time bound manner. These require the States to set up SERCs, undertake energy audit through full metering, reduce transmission and distribution losses and attain commercial viability. In reciprocation to the efforts of the States to achieve agreed milestones, the Central Government has committed assistance including allocation of additional power from unallocated share from Central Generating Stations, funds under specific programmes/schemes etc. The MoUs are now being fleshed out into MoAs with clearer and more specific milestones as the reform programme in the State is acquiring concrete shape. 22 States have been covered by this exercise till now.

The Accelerated Power Development and Reform Programme (APDRP) is designed to finance specific projects in identified distribution circles for a quick turn around and creation of centres of excellence. Initially, 63 circles have been taken up for development as centres of excellence on the basis of well designed Detailed Project Reports (DPRs). The programme is being extended to cover concentrated loads and towns with population of over 1 lakh where work on repairing DPRs have been initiated. The base line data of DPRs is crucial for evaluating the results

of the programme which is aimed at improving quality of supply as well as controlling theft and improving the financial health of the sector. This programme also includes an incentive scheme aiming at actual cash loss reduction by SEBs/Utilities. Under this scheme, there is provision for grants by the Ministry of Power to SEBs/Utilities for actual loss reduction.

So far States of Orissa, Haryana, Andhra Pradesh, Karnataka, Uttar Pradesh, Rajasthan, Madhya Pradesh, Delhi have unbundled their electricity boards. 21 States have notified constitution of State Electricity Regulatory Commissions and 12 State Electricity Regulatory Commissions have passed tariff orders, which reflect a trend towards tariff rationalization.

Government of India has recently approved a scheme for securitisation of dues owed by the State Electricity Board to CPSUs. The scheme provides that 60% of the interest/surcharge on the delayed payments as on 30.9.2001 would be waived off and the rest of the dues would be securitised through tax-free bonds issued by the respective State Governments. There would also be incentives to the States for timely payment of current dues. Defaul in making current payments shall attract, *inter alia* suspension of funds under APDRP. With the Securitisation of past dues by the State Government and the creation of the discipline of full payment for current supplies, the raising of the requisite resources from the market for the ambitious capacity addition programme of the CPSUs would become feasible. The State Governments can also use this to give their power utilities clean balance sheets to enable them to fully access markets for funds to finance their investment programmes.

Statement

T&D Losses as percentage of Availability

SEBs/EDs	1999-2000	2000-2001
Haryana	27.0	25.0
Himachal Pradesh	17.6.	17.3
Jammu & Kashmir	47.0	46.5
Punjab	16.8	16.9
Rajasthan	29.5	22.0
Uttar Pradesh	25.5	25.0

SEBs/EDs	1999-2000	2000-2001
Delhi	47.0	45.0
Gujarat	19.6	19.4
Madhya Pradesh	20.7	20.5
Maharashtra	17.0	16.7
Goa	24.3	24.0
Andhra Pradesh	31.4	31.0
Karnataka	30.0	30.0
Kerala	21.1	20.8
Tamil Nadu	16.7	16.5
Pondicherry	13.3	13.0
Bihar	23.0	22.0
Orissa (GRIDCO)	6.0	6.0
Sikkim	20.0	20.0
West Bengal	28.0	28.0
Assam	37.0	35.0
Manipur	40.0	30.0
Meghalaya	20.4	20.3
Nagaland	28.5	29.2
Tripura	28.0	28.0
Arunachal Pradesh	20.5	18.0
Mizoram	42.5	40.0

Note: The losses in Distribution Companies in Orissa are not included in the estimates.

MoU with States for Power Reforms

2303. SHRI PRITHVIRAJ CHAVAN: Will the Minister of POWER be pleased to state:

(a) whether Government has signed MoUs with all SEBs to carry out power sector reforms;

(b) the States which have not signed the reforms of MoU; and